## Amendment 791 to prohibit millionaires from receiving direct payments

This amendment would prohibit any individual or entity with income of \$1 million or more from receiving direct payments.

GAO reported in 2008 that USDA paid \$49 million to individuals who exceeded the income limits established by the program.

Of the 1.8 million people who received farm payments from 2003 through 2006, 2,702 of them exceeded the income limits established (\$2.5 million Adjusted Gross Income and derived less than 75 percent of their income from farming).

GAO went on to report that USDA does not have management controls in place to verify that payments are not made to individuals that exceed the program's income eligibility limit

As a result, USDA was unsure if millions of dollars in farm payments were proper.

GAO found that participants in the program in 2006 were three times as likely to have an Adjusted Gross Income (AGI) exceeding \$500,000 as individuals who did not participate at all. In other words, 21 of every 1,000 farm program participants reported an AGI exceeding \$500,000 compared with 7 of every 1,000 of all tax filers in general.<sup>1</sup>

Some in Congress are now proposing to increase taxes on wealthier Americans or those who *earn* in excess of a certain amount. This amendment gives them the opportunity end to *unsolicited* taxpayer subsidies for wealthy individuals first.

Instead of taking more of what wealthy individuals have earned, Congress would be wise to first end unsolicited subsidies.

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<sup>&</sup>lt;sup>1</sup> http://www.gao.gov/new.items/d0967.pdf

Studies show that Direct Payments went to wealthy individuals who live in urban areas but own or have partial ownership in farm land. <sup>2</sup>

These "absentee landlords," who live in U.S. cities with populations of 100,000 or more, were paid \$394 million in farm payments in 2010 to.<sup>3</sup>

The top 10 percent of Direct Payments in 2010 received 59 percent of the money under the program. These 88,000 people got an average of \$29,598.<sup>4</sup>

## Some examples include:

23 Members of Congress in the 112<sup>th</sup> Congress<sup>5</sup>

195 individuals in Washington, DC residents received \$475,214

203 individuals in Miami collected over \$2.4 million in payments

179 individuals in San Francisco received over \$1 million in payments

290 individuals in New York City residents received \$800,887 in payments

President Obama's FY 2012 budget proposes to reduce the per-person cap on direct payments to wealthy farmers by 25 percent and reduce the Adjusted Gross Income (AGI) eligibility limit from by \$250,000 over three years.<sup>6</sup>

<sup>&</sup>lt;sup>2</sup> http://abcnews.go.com/US/city-dwelling-landowners-paid-millions-farm-secondary-estates/story?id=13916915

<sup>&</sup>lt;sup>3</sup> http://www.ewg.org/agmag/2011/06/city-slickers-continue-to-rake-in-farm-payments/

<sup>&</sup>lt;sup>4</sup> http://www.nytimes.com/2011/10/18/business/when-one-farm-subsidy-ends-another-may-rise-to-replace-it.html? r=2

<sup>5</sup> http://www.huffingtonpost.com/donald-carr/farm-subsidies-paid-to-112-congress b 842704.html

<sup>6</sup> http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf